



CIVIL DIVISION

UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

JAN 15 1970



Mr. John S. Kelly, Director
Division of Peaceful Nuclear Explosives
U. S. Atomic Energy Commission
Washington, D. C. 20545

Dear Mr. Kelly:

As you know, the General Accounting Office has performed a limited survey of the Atomic Energy Commission's (AEC) program for peaceful uses of nuclear explosives, commonly known as PLOWSHARE. Our survey, performed at AEC Headquarters, Germantown, Maryland, and at the Nevada Operations Office, Las Vegas, Nevada, was directed primarily toward evaluating the effectiveness of AEC's efforts to achieve the objectives of the PLOWSHARE program. Our survey was made pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), the Accounting and Auditing Act of 1950 (31 U.S.C. 67), and the Atomic Energy Act of 1954 (42 U.S.C. 2206). Particular emphasis was directed to that portion of the program dealing with joint AEC and industrial sponsored projects exploring the use of nuclear explosives for commercial purposes.

During our survey, AEC realigned the Division of Peaceful Nuclear Explosives to permit more effective administration of the PLOWSHARE activities. Prior to this reorganization, the Joint Committee on Atomic Energy, in reporting on AEC's authorizing appropriations for fiscal year 1970 for PLOWSHARE, expressed concern for

- greater AEC effort to assure the timely development of suitable explosion devices which will permit the underground engineering program to proceed at a more vigorous pace, and
- greater AEC effort toward establishing business type organization and functioning to facilitate greater empathy of AEC with PLOWSHARE users.

We found that the Joint Committee has extensively probed into the PLOWSHARE program and that it is monitoring program developments

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and AEC's plans for the future of the program. In April 1969, the Joint Committee reviewed the PLOWSHARE program during hearings it held on AEC authorizing legislation for fiscal year 1970. Then, in May and July 1969, the Joint Committee held hearings on proposed legislation to authorize AEC to provide peaceful nuclear explosion services for domestic and foreign customers for practical applications.

The Joint Committee, in its report on the AEC authorizing legislation for fiscal year 1970, stated that it was pleased to note the PLOWSHARE program staff reorganization and that it would hope that the reorganization will

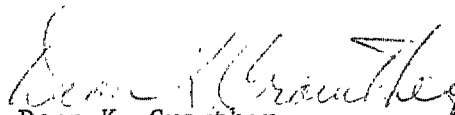
- permit the program staff and AEC to work more effectively to obtain support for the PLOWSHARE program to a level commensurate with its potential, and
- result in more effective coordination of the efforts of the various executive agencies involved.

In view of the Joint Committee's extensive probe into the PLOWSHARE program and its monitoring of program developments and AEC's plans for the future of the program, coupled with the fact that the PLOWSHARE program staff has been reorganized and sufficient time has not elapsed to permit us to properly evaluate the reorganization and its effect on the program, we have suspended our survey, and will consider resuming work at a future date.

A copy of this letter will be provided to the Manager, Nevada Operations Office, by our Los Angeles Regional Office staff.

We would like to express our appreciation for the courtesy and cooperation extended to our representatives during this survey. If you desire more information on the results of our work, or if we can be of assistance, let us know.

Sincerely yours,


Dean K. Crowther
Assistant Director